

providing full-service, state-of-the-art telecommunications services to their subscribers, and history speaks to their success in this endeavor. In addition, market forces, together with the commitment to participate in the introduction of new services and technologies, will provide the necessary impetus to drive licensees' prompt provision of service in an economically efficient manner. The legislative goal for these groups' continued participation in the provision of service should not be limited by the imposition of arbitrary benchmarks; the clear Congressional directive that the designated groups be favored should also extend to service criteria.

VII. Application procedures should ensure prompt provision of service to the public.

USIN supports the Commission's intent to promote the Congressional goal of prompt service to the public;³⁸ toward that end, the Commission should adopt proper application procedures to ensure that this goal is accomplished. USIN agrees that a short-form application will reduce administrative processing burdens and enable the Commission to conduct auctions with greater speed. USIN suggests, however, that the completed long-form application should be required only by the successful bidder within a reasonable time after the auction is held, for example, five business days. Included in the short-form application should be a certification of financial qualification and entitlement to preferential treatment as a designated entity.

³⁸ / NPRM at ¶¶ 96-97.

USIN disagrees, however, with the Commission's tentative conclusion to apply a "letter perfect" standard to short-form applications and submits that applicants be allowed a reasonable amount of time to amend the short-form application to correct minor errors.³⁹ It is likely that the auction process itself will deter the number of speculators participating in the cellular licensing process which spawned the "letter perfect" standard. Consequently, it is unlikely that the Commission will be required to expend the time and resources which were required even under the cellular "letter perfect" regime. Moreover, the draconian penalty exacted for failure to meet the "letter perfect" standard is not appropriate where the good faith of an applicant is demonstrated by participation in an expensive proceeding.

USIN suggests that implementation of the Commission's proposal to require substantial deposits to limit auctions to serious, qualified bidders⁴⁰ should not be applied to Independents and other members of designated groups. While recognizing the Commission's intent to ensure rapid deployment of service, it is also an appropriate area within which to apply preferential treatment, given Congressional emphasis on economic preferences. USIN therefore suggests that designated group members be required to submit not more than one-half the amount of deposit required of other bidders.

Similarly, the Commission's proposal that winning bidders

³⁹/ NPRM at ¶ 100.

⁴⁰/ Id. at ¶¶ 102-109.

submit an immediate non-refundable payment of 20% of the bid at the conclusion of the auction⁴¹ should not be applied to the designated groups. USIN proposes, instead, that designated group members be required to submit only that additional amount which would be equal to the total initial bid deposit required of non-preference entities. This proposal is consistent with and complimentary to the Commission's proposed deferral of auction payments.⁴²

VIII. Conclusion

The implementation of a new license award mechanism is an enormous task, one wherein attention to detail and projections of probable impact is crucial. Nonetheless, the Commission has been provided an explicit framework which speaks to both the form and substance of the outcome expected by Congress. Many of the Commission's proposed rules, however, could inadvertently result in a structure which will favor excessive concentration over fair dissemination of licenses, and favor deep-pocket players over the designated groups. Consequently, each proposed rule must be examined to ensure that the overall structure will not obstruct legislative objectives.

⁴¹/ Id. at ¶104.

⁴²/ Id. at ¶ 71.

USIN therefore respectfully submits that adherence to the Congressional mandate will provide the guidance necessary to achieve a workable and successful regulatory model.

Respectfully submitted,

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